

State of the

Region

Product Standardization

Program

TRICARE Southwest & Central



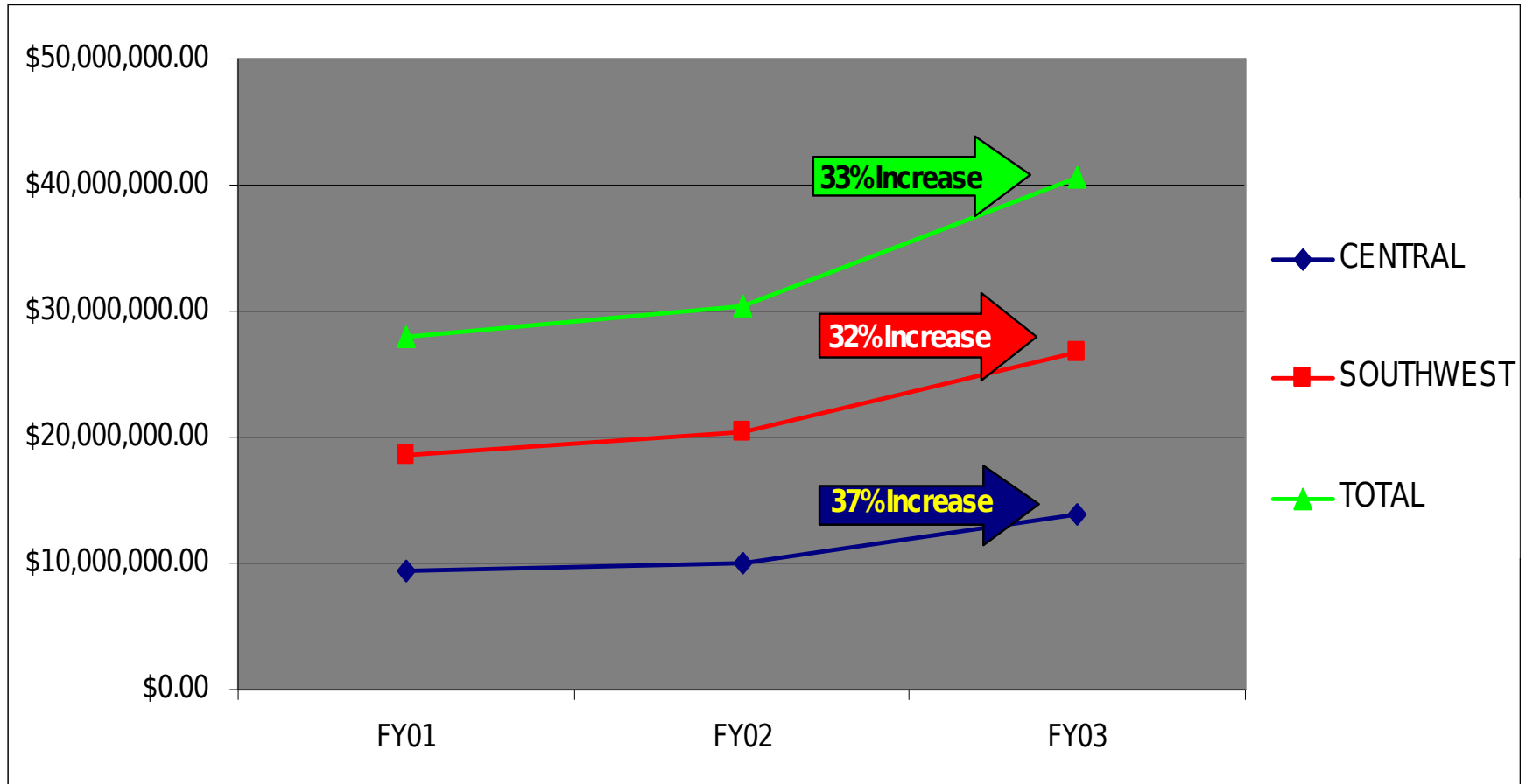
Lt Col Cary A. Collins
Regional Logistics Chief

12-13 Jan 2004

- FY 2003 Review
- Highlight FY 2004 Plans
 - ✓ Collaborative Efforts with Department of Veterans Affairs
- Best Practices



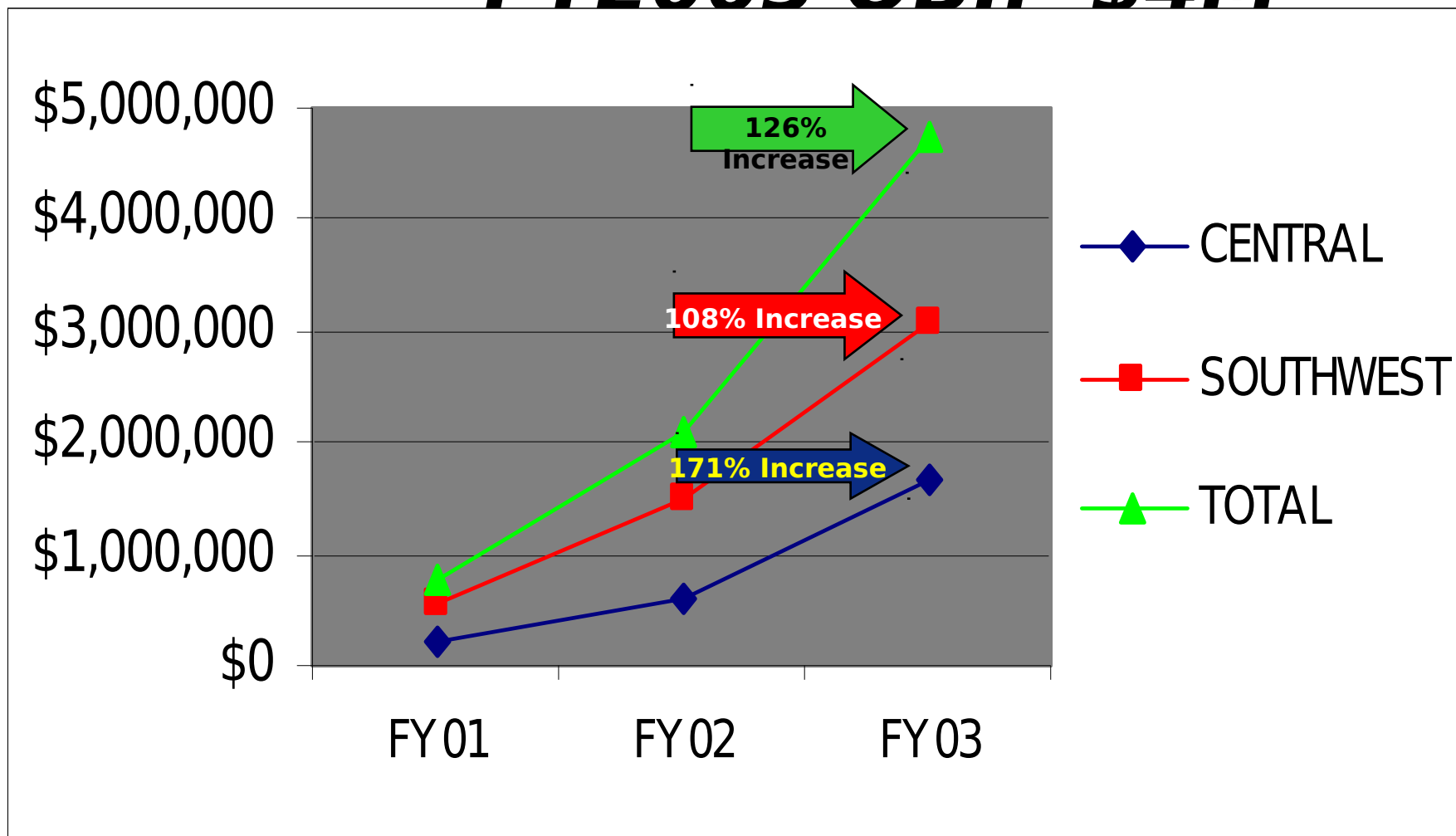
Regional Prime Vendor Sales Growth FY2003 OBJ: \$40M





Regional Cost Avoidance Growth

FY2003 OBI: \$4M





FY 2003 Review

- Standardized 56 product groups & 8,235 individual lines to date
- Promoted successful tiered pricing on ECAT with DSCP
- Incorporated Lead Agent staff Pharmacist – Major Mike Terry
- Achieved standardization compliance penetration of 84%
- Acquired an average discount of 19%
- Attained standardization product sales of 58% of total PV sales
- Briefings:
 - ✓ MTF Commanders
 - ✓ On-site briefings at all large MTFs
 - ✓ Dr. Tornberg, CMO, TMA
 - ✓ RADM Mayo, COO, TMA

- TRBO will be realigned under the Senior Multi-Service Market Area Manager effective FEB 2004
 - ✓ Business Plans to be developed detailing participating MTFs-Pending
 - ✓ Regional Logistics Chief, Chief Medical Officer, and TPRB membership to be designated-Pending
- FY 2004 Strategic Objectives for Standardization
 - ✓ Increase PV sales by \$5 Million
 - ✓ Increase Regional Cost Avoidance by \$1 Million
 - ✓ Expand ECAT products / sales for Lab supplies and OR Instrumentation
 - ✓ Continue clinical focus with emphasis on equipment and dental
 - ✓ With PEC approval, pursue pharmaceutical line opportunities
 - ✓ Pursue standardization of services, i.e., laundry



VA *Partnership*

- Partnered with the National VA Standardization Office for 2 years
 - ✓ Solidified a “Joint Procurement Group” with membership from TRICARE Southwest TRBO, VA National Standardization Office, National Acquisition Center (NAC), Defense Supply Center-Philadelphia (DSCP), and VISN 17 Chief Logistics Officer
 - ✓ Acquisition Lead alternates between VA and DSCP
 - ✓ *First Joint Standardization Project - Vital Signs Monitor*
 - STATUS: Awarded/Marketing effort now in-progress
 - CAS Medical (Projected Savings \$1M regionally and \$3M to VA over 5 years)
 - Mandatory source for VA; preferred for DoD
 - Blanket Purchase Agreement open to all DoD facilities. As additional facilities join on, the cost will decrease based on tiered pricing



VA Partnership (Cont'd)

- Continue collaboration efforts with the VA
 - ✓ Basic OR Instrumentation
 - STATUS: Team Formed/Criteria Completed
 - Majority of DoD Regions will be represented in evaluation
 - ✓ Contrast Media or Electrosurgical Generators/Supplies
 - STATUS: Preliminary Planning Stages



VA Partnership (Cont'd)

- Outpatient Med-Surg Supply Home Delivery (Mail Order Program)
 - ✓ Pilot for Wilford Hall and Brooke Army Medical Centers in Conjunction with VA Consolidated Mail Outpatient Pharmacy (CMOP) Program
 - ✓ 15-30 ostomy/wound care patients for a 180-day pilot to start 2 FEB 04
 - ✓ Employs a PC based VA Order-Entry System
 - ✓ STATUS: Concept Approved/Software in development
- DoD/VA Incentive Fund Potential
 - ✓ Joint Procurement Group has drafted an Incentive Funding proposal for future initiatives
 - ✓ Initiatives Include: Using a Common PV; Unit of Measure Distribution; Point of Use Cabinets; Home Delivery Service
 - ✓ STATUS: Submitted on 9 JAN 04

Best Practices

- Maximum clinical participation in the entire standardization process
- Aggressive commitment of command, clinical, and logistics leadership to the program
- Close and continuous communication with PV representatives
- Minimal Credit Cards distributed within facility with specific criteria for use and centralized oversight
- MTF networking within each PV distribution center area to maximize supply chain effectiveness



Best Practices (cont'd)

- Implementing Point of Use Technology at major facilities
- “All eyes” approach to internal MTF compliance
- MTF Standardization Committee oversight within facilities to advocate the program
- Improving basic cataloging to include: Original Equipment Manufacturer (OEM) Name and Part Numbers, especially for necessary credit card transactions



Best Practices (cont'd)

- Specific Facility Highlights include:
 - ✓ BAMC's sustained Team Approach for Standardization which has earned them the AMEDD "Excalibur Award"
 - ✓ Little Rock AFB & Fort Polk's most improved program award based on command oversight to affect change
 - ✓ Fort Sill & Offutt AFB's highly effective use of ECAT capabilities
 - ✓ DLA Award to TRICARE Southwest & Central TRBO as the DoD 2003 Customer of the Year

Summary

- Our success in the prime vendor and standardization programs is a direct result of the work and support from Regional MTFs, Regional Commands, Prime Vendor, Lead Agent, and our VA Partnership
- Much opportunity remains within our current/future initiatives for savings within our MTFs
- Transitioning to the new Multi-Service Market Area Management Office will create new perspectives in standardization
- The future holds many profitable yet challenging opportunities for multi-regional and VA standardization efforts

